

Exhibit "A"

1 STATE OF NEVADA
2 DEPARTMENT OF BUSINESS AND INDUSTRY
3 DIVISION OF MORTGAGE LENDING

4 * * *

5 In re:

6 COMPASS FINANCIAL PARTNERS,
7 LLC, a Nevada limited liability company.

8 Respondent.

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10 ORDER IMPOSING FINE AND
11 ORDER TO CEASE AND DESIST AND
12 NOTICE OF RIGHT TO REQUEST HEARING

13 The licensing and regulation of escrow agencies and agents in the State of Nevada is
14 governed by Chapter 645A of the Nevada Revised Statutes (hereinafter, "NRS") and Chapter
15 645A of the Nevada Administrative Code (hereinafter, "NAC"). The State of Nevada,
16 Department of Business and Industry, Mortgage Lending DIVISION (hereinafter, the
17 "DIVISION") has the general duty to exercise supervision and control over escrow agencies
18 and agents. See, NRS 645A.050, NRS 645A.090 and NRS 645A.110. Pursuant to that
19 authority, the DIVISION makes the following Findings of Fact, Conclusions of Law, and Order
20 as follows:

21 FACTUAL ALLEGATIONS

22 1. Upon information and belief, COMPASS FINANCIAL PARTNERS, LLC
23 (hereinafter, "COMPASS") is a Nevada limited liability company.

24 2. COMPASS had previously sought, but subsequently withdrew an application for
25 licensure with the DIVISION as a mortgage broker / agent pursuant to Chapter 645B of the
26 Nevada Revised Statutes.

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1 3. At no time has COMPASS made application for licensure with the DIVISION as
2 an escrow agency pursuant to Chapter 645A of the Nevada Revised Statutes.

3 4. COMPASS remains unlicensed by the DIVISION under either Chapter 645A and
4 645B of the Nevada Revised Statutes at this time.

5 5. On April 13, 2006, USA Commercial Mortgage Company (hereinafter, "USA"), a
6 licensed mortgage broker in the State of Nevada pursuant to Chapter 645B of the Nevada
7 Revised Statutes, filed for protection pursuant to Chapter 11 of the United States Bankruptcy
8 Code. USA was accompanied into bankruptcy by several of its related entities.

9 6. Said bankruptcy was commenced in the United States Bankruptcy Court for the
10 District of Nevada, Las Vegas Division and is being administered, on behalf of USA and its
11 related entities as Case No. 06-10725-LBR.

13 7. On December 8, 2006, USA and its related entities entered into an "Asset
14 Purchase Agreement" with COMPASS (hereinafter, "COMPASS") wherein USA and its
15 specified related entities agreed to sell, and COMPASS agreed to purchase the entirety of
16 USA's and its related entities' interests in their portfolio of commercial loans.

17 8. Pursuant to said agreement, COMPASS also agreed to purchase USA's and its
18 related entities' respective interests in the servicing agreements and related contracts attached
19 to each commercial loan within said portfolio.

21 9. Said agreement further specified that USA, its related entities and COMPASS
22 were to close this transaction on or before February 16, 2007.

23 10. Said agreement further recognized that COMPASS' contemplated purchase of the
24 loans and the servicing rights for said loans would then necessarily cause it to engage in activity
25 as regulated by the DIVISION under the appropriate Nevada Revised Statutes. For this
26 reason, the "Asset Purchase Agreement" between the parties also required that COMPASS
27 make application with the DIVISION for an appropriate license.

1 11. Specifically, Article IX of the "Asset Purchase Agreement" between COMPASS,
2 USA and its related entities, stated as follows:

3 **Article IX Conditions to Closing**

4 **Section 9.1 Conditions Precedent to Obligations of Purchaser.**

5 The obligation of the Purchaser to consummate the transactions
6 contemplated by this Agreement is subject to the fulfillment, on or
7 prior to the Closing Date, of each of the following conditions (any or
all of which may be waived by Purchaser in whole or in part to the
extent permitted by applicable Law):

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9 (j) Purchaser shall have actually obtained an interim license to
10 operate in the State of Nevada or an exemption, satisfactory to
11 Purchaser in all reasonable respects by no later than the Closing
12 Date, from any and all applicable Nevada laws or regulations that
13 would require any licensing of Purchaser and affiliate of Purchaser
14 identified by Purchaser by the State of Nevada in connection with or
15 as a result of consummation of this transaction. Sellers shall provide
reasonable cooperation and support to Purchaser in connection with
its effort to obtain such interim license or exemption. The condition
to the timing of the obtaining of this interim license or regulatory
exemption may be extended by the Sellers at their sole discretion.

16 12. As called for under said agreement, COMPASS did, in fact, make application with
17 the DIVISION. However, as February 16, 2007 approached (i.e., the designated closing date
18 for the COMPASS purchase to be consummated), it became clear that it was logically
19 impossible for COMPASS to complete its application with the DIVISION and acquire its license
20 before said date.

22 13. Because both COMPASS, USA and its related entities recognized this fact, the
23 respective parties entered into a "Subservicing Agreement" on February 16, 2007, wherein
24 COMPASS would essentially "subcontract" its servicing duties (for which a license was required)
25 to USA (which still maintained the appropriate license). Said arrangement allowed the planned
26 purchase to continue, albeit with an extended closing date.

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1 14. Thus, because of the "Subservicing Agreement" referenced above, from February
2 16, 2007 forward, the responsibility for the servicing of the commercial loans COMPASS had
3 purchased, fell to USA, as a matter of law. For this reason, COMPASS was obligated to utilize
4 the services of USA to engage in any servicing activity as to the loans in question, or risk
5 violating Chapter 645A of the Nevada Revised Statutes in behaving otherwise.

6 15. Despite its contractual arrangement with USA and its legal obligation to rely upon
7 USA in servicing the loans in question, COMPASS has, since February 16, 2007, disregarded
8 this arrangement and represented to borrowers that *it is, in fact*, the servicer of the loans in
9 question.

10 16. Proof of COMPASS' decision to engage in servicing activity, notwithstanding its
11 legal arrangement with USA is as follows:

12 a. On March 9, 2007, COMPASS' Director of Investor Relations, Mark L.
13 Olson (hereinafter, "OLSON") wrote to all lenders involved in the USA bankruptcy to advise
14 them of the following: "...We are pleased to announce that as of February 16, 2007,
15 [COMPASS] became the servicer of most of the loan portfolio formerly serviced by [USA]..."

16 b. On March 23, 2007, OLSON wrote to one "Larry L. Rieger" and "Larry L.
17 Rieger and Patsy R. Rieger" as "Trustees of the Larry L. Rieger & Patsy R. Rieger Revocable
18 Trust" and represented that "COMPASS has officially taken over as the servicer of the USA
19 Commercial Mortgage portfolio and has been working diligently to resolve all the loans in this
20 distressed portfolio..." OLSON'S letter further sought to open a dialogue with these lenders so
21 as to effect the sale of their interest in a property commonly known as "Shamrock Tower, L.P.",
22 in exchange for a yet-to-be negotiated cash sum.

23 c. On March 23, 2007, OLSON, on COMPASS' behalf, commenced similar
24 discussions with a "Donald H. Pinsker", with reference to a property commonly known as "Clear
25 Creek Plantation".

d. On April 8, 2007, COMPASS generated a "Loan Status Report" regarding a loan commonly known as "Palm Harbor One, LLC". This "Loan Status Report" makes the following representation: "[COMPASS] has been working hard to collect the maximum value possible from each loan it now services from the USA Capital portfolio. [COMPASS] will provide information to the Direct Lenders about the status of their loans and the actions being taken by the Borrowers and [COMPASS] to get the loans repaid..."

e. On April 12, 2007, COMPASS generated a "Loan Status Report" regarding a loan commonly known as "5055 Collwood, LLC", which contained identical prefatory language concerning COMPASS' role in servicing the loan referenced therein. COMPASS apparently accompanied this "Loan Status Report" with a written solicitation requesting that the lender in question "Consent to Extend 5055 Collwood, LLC Loan for Six Months", and then provided the terms of the offer to extend.

f. On April 20, 2007, COMPASS generated two (2) additional "Loan Status Report(s)" regarding loans commonly known as "Eagle Meadows Development" and "Fox Hills 216, LLC", both of which also contained identical prefatory language concerning COMPASS' role in servicing the loans referenced therein.

17. On April 20, 2007, the DIVISION received word that COMPASS had chosen to terminate the "Subservicing Agreement" between itself and USA since USA had experienced difficulties in its own right, in conforming to the DIVISION'S requirements to maintain its licensure with the DIVISION. Thus, from April 20, 2007 forward, COMPASS' affiliation with USA had ended, thereby leaving COMPASS with no licensed entity to service the loans in question.

18. On May 3, 2007, the DIVISION issued an "Order Revoking Mortgage Broker License and Notice of Right to Request Hearing", because of certain irregularities and improper activities uncovered in USA'S loan servicing system(s).

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1 19. Pursuant to NRS 645A.010, the concept of "escrow" activity is defined as follows:

2 'Escrow' means any transaction where one person, for the purpose
3 of effecting the sale, transfer, encumbering or leasing of real or
4 personal property to another person, delivers any written instrument,
5 money, evidence of title to real or personal property, or other thing of
6 value to a third person until the happening of a specified event or the
7 performance of a prescribed condition, when it is then to be
8 delivered by such third person to a grantee, grantor, promisee,
9 promisor, obligee, obligor, bailee, bailor or any agent or employee of
any of the latter. ***The term includes the collection of payments
and the performance of related services by a third person in
connection with a loan secured by a lien on real property.***

10 See, NRS 645A.010(3)(emphasis added).

11 20. Pursuant to NRS 645A.050, the DIVISION is charged with conducting "...such
12 investigations as may be necessary to determine whether any person has violated any provision
13 of this chapter..." See, NRS 645A.050(2)(c).

14 21. Pursuant to NRS 645A.110, the DIVISION is further charged with conducting an
15 investigation "...if it appears that an escrow agent or agency is conducting business in an
16 unsafe and injurious manner or in violation of this chapter if it appears that any person is
17 engaging in the escrow business without being licensed pursuant to the provisions of this
18 chapter." See, NRS 645A.110(1).

19 22. As specified above, the documentary evidence brought to the DIVISION'S
20 attention, indicates that COMPASS has engaged in escrow activity in the State of Nevada (as
21 defined in NRS 645A.010(3)) on multiple occasions, despite its lack of licensure to do so.

22 23. Pursuant to NRS 645A.020, "...a person who wishes to be licensed as an escrow
24 agent or agency must file a written application in the Office of the Commissioner..." Further,
25 said application must "...be verified [and] be accompanied by the appropriate fee prescribed in
26 NRS 645A.040..." See, NRS 645B.020(1), (2).

1 24. Pursuant to NRS 645A.210, "...it is unlawful for any person, unless exempted
2 under NRS 645A.015, to engage in or carry on, or hold himself out as engaging in or carrying
3 on, the escrow business or act in the capacity of an escrow agent or agency without first
4 obtaining a license as an escrow agent or agency..." See, NRS 645A.210.

5 25. Pursuant to NRS 645A.090, "...the Commissioner may refuse to license any
6 escrow agent or agency or may suspend or revoke any license or impose a fine of not more
7 than \$500.00 for each violation by entering an order to that effect, with his findings in respect
8 thereto, if upon a hearing, it is determined that the applicant or licensee... has violated any
9 provision of this chapter or any regulation adopted pursuant thereto or has aided and abetted
10 another to do so [OR] ...has intentionally or knowingly made any misrepresentation or false
11 statement to, or concealed any essential or material fact from, any principal or designated
12 agent of a principal in the course of the escrow business..." See, NRS 645A.090(1)(b), (e).

14 26. Pursuant to NRS 645A.110(2), "...if, upon investigation it appears that the agent or
15 agency is so conducting business or an unlicensed person is engaged in the escrow business,
16 the Commissioner may... order the person to discontinue business in an injurious manner or in
17 violation of this chapter..." See, NRS 645A.110(2)(a).

VIOLATIONS OF LAW

20 1. Having investigated COMPASS' activities, as described hereinabove, it has been
21 determined that COMPASS has engaged in at a minimum seven (7) distinct instances of
22 escrow agency activity in the State of Nevada without a license to do so, thereby violating NRS
23 645A.020 and NRS 645A.210.

ORDER

25 **NOW, THEREFORE**, pursuant to NRS 622.080 and NRS 645A.110(2), the
26 **COMMISSIONER** of the **DIVISION HEREBY ORDERS** that COMPASS CEASE AND DESIST
27 from conducting any and all unlicensed escrow agency activity in the State of Nevada.

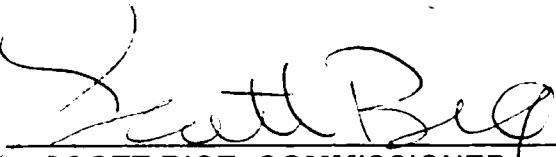
1 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 645A.090, COMPASS will
2 be subject to an administrative fine in the amount of THREE THOUSAND FIVE HUNDRED
3 DOLLARS (\$3,500.00), representing a FIVE HUNDRED DOLLAR (\$500.00) fine for each of the
4 seven (7) documented instances of unlicensed escrow agency activity in this matter;

5 IT IS FURTHER ORDERED that the sum of said administrative fine be paid in full within
6 thirty (30) days of entry of the instant Order;

7 IT IS FURTHER ORDERED that, pursuant to NRS 645A.110(2)(a), upon submission of a
8 verified petition to the DIVISION, COMPASS shall be entitled to a hearing with regard to the
9 contents of the instant Order. Should COMPASS not request a hearing within thirty (30) days
10 of the receipt of the instant Order, the DIVISION will enter a Final Order in this matter.

12 Dated this 9th day of May, 2007.

13 STATE OF NEVADA
14 DEPARTMENT OF BUSINESS AND INDUSTRY
15 DIVISION OF MORTGAGE LENDING

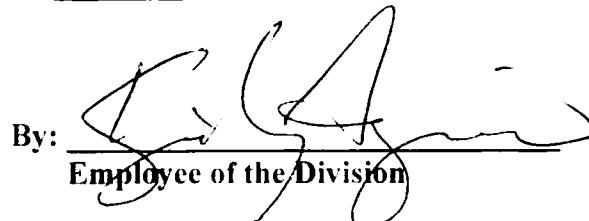
16 By: 
17 SCOTT BICE, COMMISSIONER

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CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on May 9, 2007, an employee of The Division personally hand delivered, a true and correct copy of the foregoing ORDER IMPOSING FINE AND ORDER TO CEASE AND DESIST AND NOTICE OF RIGHT TO REQUEST HEARING for **COMPASS FINANCIAL PARTNERS, LLC.**, addressed as follows:

Mark L. Olsen
Compass Financial Partners, LLC.
4730 S. Fort Apache Rd, Ste. 140
Las Vegas, NV 89147

DATED this 9th day of May 2007

By: 
Employee of the Division